STIPULATED CONSENT JUDGMENT AND PERMANENT INJUNCTION

Plaintiff, Chanel, Inc. ("Chanel") and Defendants Lulu's Treasure, Inc., a California corporation, Harutiun Kratian a/k/a Sam, an individual, and Mary Kratian a/k/a Mary K, an individual, individually and jointly, d/b/a Lulu's Treasure (collectively "Defendants") stipulate and consent to the following:

WHEREAS, the Defendants Lulu's Treasure, Inc. and Mary Kratian adopted and began using trademarks in the United States which infringe and dilute the distinctive quality of Chanel's various registered trademarks: CHANEL and as identified in Paragraph 7 of Chanel's Verified Complaint;

WHEREAS, Lulu's Treasure, Inc.'s and Mary Kratian's use of names and marks which are identical to, or substantially indistinguishable from, the Chanel Marks is likely to cause confusion as to source or origin of the Lulu's Treasure, Inc.'s and Mary Kratian's products, and will further dilute the distinctive quality of the Chanel Marks;

WHEREAS, without the admission of any liability, the parties desire to settle and have amicably resolved their dispute to each of their satisfaction; and

WHEREAS, based upon Chanel's good faith prior use of the Chanel Marks, Chanel has superior and exclusive rights in and to the Chanel Marks in the United States and any confusingly similar names or marks.

IT IS STIPULATED, ORDERED, ADJUDGED AND DECREED that:

- 1. The Defendants and their officers, agents, servants, employees and attorneys, and all persons in active concert and participation with them are hereby permanently restrained and enjoined from intentionally and/or knowingly:
 - A. manufacturing or causing to be manufactured, importing, advertising, or promoting, distributing, selling or offering to sell counterfeit and infringing goods bearing the Chanel Marks;
 - B. using the Chanel Marks in connection with the sale of any unauthorized goods;

C.	using any logo, and/or layout which may be calculated to falsely
	advertise the services or products of the Defendants as being
	sponsored by, authorized by, endorsed by, or in any way
	associated with the Plaintiff;

- D. falsely representing the Defendants as being connected with the Plaintiff, through sponsorship or association,
- E. engaging in any act which is likely to falsely cause members of the trade and/or of the purchasing public to believe any goods or services of the Defendants, are in any way endorsed by, approved by, and/or associated with the Plaintiff;
- F. using any reproduction, counterfeit, copy, or colorable imitation of the Chanel Marks in connection with the publicity, promotion, sale, or advertising of any goods sold by the Defendants, including, without limitation, costume jewelry, including, bracelets, earrings and necklaces;
- G. affixing, applying, annexing or using in connection with the sale of any goods, a false description or representation, including words or other symbols tending to falsely describe or represent the Defendants' goods as being those of the Plaintiff, or in any way endorsed by the Plaintiff;
- H. offering such goods in commerce; and from otherwise unfairly competing with the Plaintiff.
- I. secreting, destroying, altering, removing, or otherwise dealing with the unauthorized products or any books or records which contain any information relating to the importing, manufacturing, producing, distributing, circulating, selling, marketing, offering for sale, advertising, promoting, renting or

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displaying of all unauthorized pro-	ducts which infringe the
Chanel Marks; and	

- J. effecting assignments or transfers, forming new entities or associations or utilizing any other device for the purpose of circumventing or otherwise avoiding the prohibitions set forth in subparagraphs (A) through (I).
- 2. Plaintiff shall have the right to seek sanctions for contempt, compensatory damages, injunctive relief, attorneys' fees, costs, and such other relief deemed proper in the event of a violation or failure by the Defendants to comply with any of the provisions hereof. The prevailing party in any such proceeding shall be entitled to recover its attorneys' fees and costs.
- 3. The claims for relief between Chanel and the Defendants are hereby dismissed, subject to the terms of the Settlement Agreement between the parties. This Consent Final Judgment shall be conclusive for purposes of collateral estoppel regarding all issues that have been or could have been brought on the same operative facts.
- 4. The parties' respective attorney's fees and costs incurred in connection with this action shall be borne as per the agreement of the individual parties in their Settlement Agreement.
- 5. This Court will retain continuing jurisdiction over this cause to enforce the terms of this Consent Final Judgment and the Settlement Agreement between the parties.
- 6. All infringing and counterfeit Chanel branded products seized on November 20, 2012 and/or any Chanel branded products currently in the possession, custody and/or control of the Defendants required to be surrendered to

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